

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-07 EPG-02 TRSE-00 STR-04 OMB-01

CEA-01 COME-00 XMB-02 /077 W

-----099534 081302Z /47

R 080732Z JUL 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2124

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SINGAPORE

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E.O. 11652: N/A

TAGS: ASEAN, RP

SUBJECT: PRESIDENT MARCOS ON ASEAN AND PHILIPPINE INVESTMENT
CLIMATE

1. PRESIDENT MARCOS MET WITH PACIFIC FORUM GROUP, INCLUDING CHARGE, FOR TWO HOURS JULY 8 FOLLOWED BY LUNCHEON. ALSO PRESENT WERE FINANCE SECRETARY VIRATA, INDUSTRY SECRETARY PATERNO, PHILIPPINE CENTRAL BANK GOVERNOR LICAROS, NATIONAL ECONOMIC DEVELOPMENT AUTHORITY DEPUTY DIRECTOR GENERAL ALBA, AND ENERGY DEVELOPMENT CHAIRMAN VELASCO. PROSPECT FOR PRIVATE FOREIGN INVESTMENT IN ASEAN AREA WAS FOREMOST IN EVERYBODY'S MIND.

2. MARCOS SAID THAT ASEAN LEADERS ESTIMATE THAT THEY HAVE FROM FIVE TO SEVEN YEARS TO EFFECT THE SOCIO-ECONOMIC TRANSFORMATION PREREQUISITE TO CONTINUING POLITICAL STABILITY. ACCORDINGLY, THE ASEAN STATES NEED FOREIGN HELP BECAUSE TO REALIZE THAT TRANSFORMATION ON THEIR OWN WOULD TAKE TWENTY-
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FIVE YEARS. HE ELABORATED THAT WHEREAS EACH COUNTRY HAS ITS OWN FLASH POINT, ALL ARE AGREED THAT THE PRINCIPAL SECURITY PROBLEM IS INTERNAL SUBVERSION. IN THE PHILIPPINE CASE, HE FELT THAT IF THE GOP CAN REALIZE ALREADY ARTICULATED FIVE-YEAR OBJECTIVES, IT THEN CAN MEET ANY KIND OF SUBVERSIVE PRESSURE, AND MUCH THE SAME CAN BE SAID OF OTHER ASEAN STATES. HE ADDED, HOWEVER, THAT THERE ARE MANY

IFS AND BUTS, FOR EXAMPLE UNCERTAINTIES SURROUNDING US, USSR, PRC AND JAPANESE POLICIES AND ACTIONS IN THE AREA. THUS, IF THE PRESENT REGIONAL EQUILIBRIUM IS SUSTAINED, SUBVERSION WOULD REMAIN THE PRINCIPAL PROBLEM; IF NOT, OTHER DISTRACTIONS COULD INTRUDE.

3. IN RESPONSE TO AN AUSTRALIAN STATEMENT ON THE NEED FOR CONTINUITY AND FAIR RETURN TO ATTRACT INVESTMENT, MARCOS ASSURED THE GROUP THAT IN THE PHILIPPINES "PROFIT IS NOT A DIRTY WORD; WE ARE A FREE ENTERPRISE SOCIETY WITH AN EGALITARIAN BASE; WE DON'T CONFISCATE PROPERTY; WE BELIEVE IN THE EFFECTIVENESS OF PRIVATE INITIATIVE AND INDIVIDUAL INGENUITY AS BASIC TO ECONOMIC FREEDOM." MARCOS ADDED THAT FAIR PROFIT IS A TWO-WAY STREET; SINCE THE GOP ALSO IS INVESTING OVER THE LONGER TERM AND OFTEN ON A LARGER SCALE. THE BALANCE OF REASONABLE RETURN IN EACH DIRECTION IS A MATTER OF STATESMANSHIP, HE SAID, AND HERE THE GOP BELIEVES IN CONTINUING DIALOGUE. "HOW REASONABLE IS REASONABLE IS, OF COURSE, THE BIG DEBATE. AT PRESENT WE THINK OUR RATES ARE MORE REASONABLE THAN OTHERS. SECRETARY VIRATA AT TIMES SEEMS TO BE SUGGESTING THAT THEY MAY BE TOO REASONABLE. ANY GOVERNMENT CAN DO ANYTHING TYRANNICAL, BUT IT DOES SO AT ITS OWN RISK. YOU MAY REST ASSURED THAT GOP WILL DO NOTHING SUDDENLY TO AFFECT INVESTMENT. ANY EVENTUAL CHANGES MADE WILL BE MADE WITH FULL CONSULTATION WITH ALL CONCERNED."

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4. COMMENT: MARCOS' PRESENTATION AND INVESTMENT OF THREE HOURS IN THE PACIFIC FORUM IMPRESSED THE GROUP. BUT LOOKING AROUND THE ROOM, I RATHER DOUBTED IF THAT PARTICULAR COLLECTION OF SENIOR EXECUTIVES FROM MOST OF NON-COMMUNIST EAST ASIA AND THE U.S. WAS LIKELY TO BE PERSUADED BY EVEN THE MOST BEGUILING RHETORIC.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Sent Date: 08-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Subject: PRESIDENT MARCOS ON ASEAN AND PHILIPPINE INVESTMENT CLIMATE
TAGS: PORG, EINV, RP, ASEAN, (MARCOS, FERDINAND)
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